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United States Department of State

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BRIEFING MEMORANDUM S/S

RELEASED IN PART B1,A5

SECRET/SENSITIVE

TO:

The Secretary

FROM:

EA - Paul Wolfowitz

SUBJECT:

Your Second Meeting with Chinese Foreign Minister Wu Xueqian, 9:30 AM, Thursday, Pebruary 3, 1983

YOUR OBJECTIVES I.

- 1. Exchange views on regional issues: Soviet Union (including Reserve arms control), Kampuchea, Afghanistan, and Korea. Middle East and Africa for meeting with Premier Zhao but discuss Latin America if time permits. Draw Wu out on China's relations with USSR (Talking Points attached).
- Express appreciation for Chinese halt of methaqualone exports (Talking Points attached).
- 3. Respond as necessary to attacks on issues of "hegemony," Taiwan, asylum cases, or other bilateral irritants, only if raised by Wu and not addressed at your first meeting (See Talking Points from first meeting).

II. SETTING

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In your first meeting you will already have conveyed our view of the world situation and the principles that guide our foreign policy. At this meeting, you will want to discuss in more detail our respective approaches to the Soviet Union and to regional issues.

The Chinese have doubts about the constancy and efficacy of US foreign policy approaches to the Soviet Union and to key regional issues. It will be important for you to present a strong, effective approach to these issues and to encourage constructive Chinese actions. You should also seek to draw the Chinese out on their own intentions vis-a-vis the Soviets.

While you may come in for some criticism from Wu on our approach to global issues, it is important to give Wu a fair hearing in order to learn more about Chinese positions. At the same time, it is essential to provide Wu with our perspectives.

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In the unlikely event that Wu takes a sharply negative approach, you should remind him that uncritical attacks by the Chinese on US policies damage our efforts at home to build political and popular support for improved US-China ties. They also undercut broader attempts to consolidate world opinion against the Soviet threat in strategic regions.

You will have foreshadowed the topics you hope the discussion will focus on. You might review them at the outset —reminding Wu also that the Middle East and Africa should be saved for Premier Zhao. As a technique for drawing Wu out, you might suggest that he lead off the discussion.

A third meeting, schedule permitting, should be devoted to responding to points raised during your earlier meetings or wrapping up issues not adequately covered before. Wu would be an ideal interlocutor, given his background and experience, on Third World issues.

III. PARTICIPANTS

US

CHINESE

Poreign Minister Wu Xueqian

The Secretary

Ambassador Arthur Hummel

EA - Paul Wolfowitz PA - John Hughes

PM - Jonathan Howe

S - Raymond Seitz

NSC - Gaston Sigur EA - Thomas Shoesmith

DOD/ISA - Richard Armitage

S - Charles Hill

DCM - Charles Freeman

FA/C - William Rope

Ms. Vivian Chang

(Interpreter)

(Two Embassy notetakers)

IV. PRESS ARRANGEMENTS

There will be a photo opportunity to begin the meeting.

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-3-

Drafted: EA/C:DLWelty 1/26/83 x21004 #53350

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Cleared: EA/C:BJSchrage WFRope
EA/K:DLambertsony
EA/VLK:LDAngerson M
EUR/SOV:REComband LNapper
EUR:MPalmetMP JDobbins

EUR/SUV: RECOMDST- Lindppel
EUR: MPalmen D JDobbins
EUR/RPM: BBurton
PM/TMP: HStoffet
AF/S: DSimpson D
NEA/IAI: EAbington
NEA: WAKIRD HBSchaffer
ARA/PPC: MSkol

S:DJohnson EA:TPShoesmith

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V. DISCUSSION OF OBJECTIVES

Exchange views on regional issues: Soviet Union (including arms control), Kampuchea, Afghanistan, and Korea. Reserve Middle East and Africa for meeting with Premier Zhao but discuss Latin America if time permits. Draw Wu out on China's relations with USSR.

US-SOVIET RELATIONS

The Chinese will be keenly interested in your personal assessment of the new Soviet leaders—including a rundown on your meetings with them, prospects for improvement in US-Soviet relations, and overall US objectives toward Moscow. They will also be interested in arms control negotiations, regional conflicts in which the Soviets are involved, and high-level US-Soviet exchanges, including prospects for a summit. You should underscore that the US, in dealing with Moscow, takes PRC interests into account and expects the Chinese to do the same for us. You should also stress the importance the US attaches to realistic, fair, and verifiable arms control agreements and to the role the Chinese can play in arms control matters.

- -- Andropov appears to have moved quickly to consolidate leadership and put own stamp on Soviet regime. Has not assumed the Soviet presidency, but believe he has leading role in Soviet foreign and domestic policy.
- -- Has addressed some obvious domestic economic problems, emphasizing labor discipline, reducing corruption, and need to increase productivity.
- -- Has also played visible role on foreign affairs, prominently meeting foreign visitors, articulating Soviet policy, especially arms control.
- -- Has begun replacing Brezhnev appointees in key government and party positions with own associates.
- -- But has yet to make any major innovations, though Soviets have engaged in active diplomatic/public relations effort to suggest flexibility without altering positions.
- -- Still too early to tell whether Andropov will attain primacy in leadership and undertake important long-term policy innovations.

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- -- On foreign policy, believe Soviets will focus on limited number of short-term but high priority objectives:
 - o Prevent INF deployments in Europe, create differences between US/Allies, and drive US-Soviet relations back onto arms control-centered agenda, without reference to Soviet international behavior;
 - o Increase Soviet influence and leverage in Middle East; disrupt progress toward Arab-Israeli settlement;
 - o Cope with economic and political problems in Eastern Europe, especially Poland; and
 - o Try to break out of isolation created by Soviet international behavior by exploring possibilities for limited improvements in US-Soviet and Sino-Soviet ties.
- -- Must also be prepared for intensified propaganda campaign to raise expectations of improved East-West or Sino-Soviet relations, while pressuring others for concessions to help realize those expectations.
- -- Would not be surprising to see more new public "initiatives" on arms control, low-cost gesture on human rights, and further efforts to suggest Soviet flexibility and reasonableness on regional issues without making far-reaching substantive concessions.
- -- US approach to these developments will be realistic, steady, and consistent. Efforts to build up U.S. military and economic strength are essential and will continue.
- -- We remain ready for realistic efforts to deal with specific problems, but will not offer unilateral concessions or depart from overall approach established over past two years.
- -- Constructive and concrete changes in Soviet behavior will bring US response. We will maintain active dialogue with Moscow on range of issues, including arms control, regional conflicts, and bilateral matters.
- -- I am prepared to meet again with Gromyko before next UNGA if such discussion would be useful and constructive. The President, as you know, has said that any summit must be well-prepared and productive. This, I believe, is also Soviet position expressed by Andropov. However, there are no preparations being made at this time for either another meeting between Gromyko and me, before UNGA, or for summit.

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- -- We will consult closely with our allies and friends, especially on those issues affecting all our interests.
- -- One point I would like to make very clearly. In our dealings with Soviets, you can count on us to take your interests fully into account, as we have throughout such negotiations as INF.
- -- Understand your interest in improving ties with Soviet Union, based on genuine reduction in Soviet threat, but we will expect that you, in keeping with our relationship, will also take our interests into account in your dealings with Moscow.
- -- We want to keep in touch with you, as well as other concerned parties, about developments on issues such as Afghanistan, and Soviet activities in Third World.

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INTERMEDIATE-RANGE NUCLEAR FORCES

- -- Soviets are trying to use INF to divide and weaken NATO. US position is that we must attain an agreement meeting our security interests, or in absence of such agreement, that NATO proceed with deployments to redress current imbalance. Necessary to preserve credibility and viability of NATO, which is in China's interest as well.
- -- Our INF policy must focus on NATO, but we are determined that any agreement will not result in increased threat to security of countries in Far East.
- -- Our INF proposal calls for elimination of all US and Soviet longer-range land-based INF missiles, regardless of location.
- -- Have proposed global ban because regional limitation is easily circumvented; we do not want to give Soviets right to redirect threat towards countries in Far East.
- -- Soviet position does not address security interests that prompted NATO's 1979 decision. It would allow Soviets to maintain substantial force of SS-20s in European USSR and unlimited deployments of SS-20s in eastern USSR. But deployment of US missiles would be prohibited.
- -- Soviet proposal seeks explicit inclusion of nuclear forces of UK and France in bilateral negotiations. We are not prepared to negotiate on forces of independent countries, nor to discuss compensation for such forces.
- -- We continue to press proposal to eliminate all longer-range INF missiles. Soviet adjustments may reflect some recognition of merits of our proposal and need for response, in public domain as well as in Geneva. Determined stand on our current position can evince further Soviet movement.

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KAMPUCHEA

China, ASEAN, and we now share parallel tactical approaches toward the Kampuchean problem and work along similar tactical lines to induce Hanoi to negotiate a comprehensive settlement. Beijing provides maximum support to the Khmer Rouge, though it supplies weapons to both Son Sann and Sihanouk as well. China's five-point proposal to the Soviets on the subject of Kampuchea has compounded Vietnam's nervousness and isolation at a time when Hanoi is attempting to convey a posture of flexibility. ASEAN is sensitive to allegations of US-China "collusion" on Kampuchea. Stressing the ASEAN orientation of our policy will avoid arousing ASEAN concern and should not bother the Chinese, but you should not fail to credit the Chinese for their strong contributions. Moreover, we should always keep in mind that the Chinese, with their heavy presence on Vietnam's border and threat of a "second lesson" if Vietnam conducts aggression in Thailand, are an important guarantor of Thai security.

- -- We believe progress was achieved last year, particularly in formation of coalition and at UN. We continue to value your contributions to maintaining pressure on Vietnam to negotiate comprehensive political settlement. We want to keep in touch with you on this issue.
- -- Ensuring security of ASEAN remains cornerstone of our policy. We firmly support ASEAN's strategy and leadership role for settlement in Kampuchea based on International Conference on Kampuchea Declaration.
- -- US aim is overall political settlement featuring total withdrawal of Vietnamese forces, Khmer self-determination, and independent, neutral, Kampuchea that is no threat to neighbors.
- -- Vietnam's attempts to convey greater flexibility are clear signs that ASEAN's strategy is having impact on Vietnam. We see no indication that Vietnam is prepared to negotiate basic issues, but are alert for signs that Hanoi is ready to do so.
- -- Vietnamese try to convey false impression of improvement in US-Vietnamese relations, but our policy remains unchanged. We see no change in Vietnam's position. Will not consider normalization of relations as long as Vietnam continues to occupy Kampuchea.

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- -- We understand Thai and ASEAN efforts to engage in dialogue with Hanoi to seek total Vietnamese withdrawal from Kampuchea, but believe they will not compromise their position, particularly on total Vietnamese military withdrawal.
- -- Bringing coalition into being was major step forward on long road to achieving final and total Vietnamese withdrawal.
- -- Prince Sihanouk and Son Sann's roles in Kampuchean have been responsible for building international and domestic support for coalition.
- -- We remain strongly opposed to any settlement that would install government not freely chosen by all Khmer. We recognize that crucial element of international support for ASEAN position and for coalition is the belief that Khmer Rouge will not be returned in any free election.
- -- Will continue moral, political, humanitarian and other support to non-communist Khmer. Cannot provide military assistance. We continue to consult closely with ASEAN on how we can be helpful further.
 - -- We are interested in your discussions with Soviet leaders on Kampuchea and seek your assessment of coalition, recent diplomatic maneuvering at Hanoi's instigation, and prospects for movement toward settlement.
 - -- (<u>If asked</u>) We regard coalition as interim arrangement seeking implementation of International Conference on Kampuchea Declaration. Question of recognition does not arise for us.
 - -- (If asked) We will not deal directly with Khmer Rouge or provide them with assistance of any kind. US strongly opposes return to power of Khmer Rouge.

US-Lao Relations

- -- US policy toward Laos is designed to encourage greater margin of Lao independence and achieve progress on MIA matters and other issues. That fully support our effort.
- -- If Laos takes concrete steps on bilateral issues, we are prepared to improve relations. Would reassess position if there is no progress.
- -- We have made very clear to Lao our firm support for ASEAN position on Kampuchea and our view that Vietnamese aggression is cause of tension and instability in Southeast Asia.

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UNCLASSIFIED SECRET/SENSITIVE -10-

SOUTHWEST ASIA

- -- We want to keep pressure on Soviets to withdraw from Afghanistan through diplomatic and other means.
- -- US will insist on being firm about essential elements of any settlement. We will work closely with Pakistan and continue to emphasize total withdrawal of Soviet forces, restoration of Afghanistan's independence and non-aligned status, establishment of process for Afghan self-determination, and safe return of Afghan refugees.
- -- Military standoff continues after intense fighting in 1982, which caused more civilian destruction than ever before. We expect this pressure on civilians, especially in areas of high mujahidin activity, to continue in 1983.
- -- Morale of mujahidin remains amazingly high. They appear better armed and trained than year ago and give every indication they intend to go on fighting.
- -- Afghanistan was a major item of discussion with President Zia in December. US and Pakistan are following multi-track approach to keep maximum pressure on Soviets to negotiate political solution. Pressure applied on the ground, on international scene, and in East-West relations. We have told Soviets Afghanistan remains major impediment to improved US-Soviet relations.
- -- Agree with Pakistan's decision to continue to cooperate with UN Secretary-General's personal representative, Diego Cordovez, in his January regional consultations. Cordovez told US he hopes to get some momentum going with these talks. Major objective is to test Soviet intentions on troop withdrawal.
- -- We do not believe Pakistan's position will waver in talks, despite pressure to deal directly with Babrak regime.
- -- We have left door ajar to further expert level talks with Soviets and would be willing to renew such talks later this year. Talks might usefully test Soviet flexibility and help keep pressure on them to negotiate acceptable settlement.
- -- We will keep you informed. If talks are renewed, we will consult with you in advance, as we did last summer.

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- -- In this context, I want to explain policy toward Pakistan and raise special concerns.
- -- President Zia's visit helped create positive image of Pakistan and of himself; left US with renewed confidence in credibility and durability of US commitment to close relations with Pakistan.
- -- We are now concentrating on achieving targeted levels of economic and military assistance. Budget crisis will make this difficult, but will do everything possible to achieve full funding in current fiscal year.
- -- We are working to emphasize US commitment to Pakistan. First six Pakistani P-16s arrived in Pakistan in January. We have also completed essential reprograming for Pakistan of \$150 million in military sales credits as first installment of FMS for Pakistan under assistance agreement.
 - -- We reiterated to President Zia strong support for efforts by India and Pakistan to improve their bilateral ties. We welcome their agreement to form Joint Commission.
 - -- Improved relations would permit both countries to address Soviet threat and reduce Pakistan's perceived need for nuclear capability. Latter, to us, is gravest danger to our common interests in Southwest Asia. If Pakistan develops nuclear explosives, it will jeopardize entire US assistance program and undermine our common goals throughout region. Will say more on this to Premier Zhao and to Chairman Deng.

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KOREA

During the past year we proposed through the Military
Armistice Commission which includes China such tension
reducing measures as prior notification of military exercises
and mutual observance of exercises.

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We also supported Seoul's efforts to resume a dialogue with Pyongyang and encouraged Seoul to develop contacts with socialist countries, including China. In the absence of realistic prospects for unification of Korea in the near term, we have supported "cross-recognition" of the two Koreas.

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are taking modest steps to introduce some flexibility into our stance toward the DPRK; this may help Beijing to manage Pyongyang's opposition to the development of PRC-ROK contacts.

(If time permits, and it fits the circumstances, you might discuss your trip to Japan and exchange views on Japan policy issues.)

- -- US shares your interest in maintaining peace on Korean peninsula and have proposed through Military Armistice Commission several modest tension-reducing measures, such as prior notification and mutual observance of military exercises.
- -- Development of trade and other contact between South Korea and China has contributed to reduction of tensions; we believe Seoul wants to continue this. We have permitted North Korean officials to visit Los Angeles to discuss preparations for 1984 Olympics.
- -- We support eventual peaceful reunification. Believe North-South dialogue and cross-recognition of two Koreas are important objectives for stability on peninsula during lengthy period before unification can be achieved.
- -- Future of Korea is for two Koreas to decide. US will not enter into talks with DPRK without full and equal participation of ROK.

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UNCLASSIFIED SECRET/SENSITIVE -13-

LATIN AMERICA (If time permits)

The Chinese will be interested in your personal assessment of the President's visit to Latin America in December. They are concerned that any shift away from the US in the region will be accompanied by an expanded Soviet role. We should reaffirm our support of trends in the region away from military dominated regimes and toward greater pluralism and participation in political life.

- -- Latin America is undergoing rapid change. Since 1979, Peru, Ecuador, Dominican Republic, El Salvador, Honduras, and Bolivia have made major strides from military to democratic regimes. Brazil, Argentina, Uruguay, and Panama are committed to schedules returning them to civilian, elected governments. Even Guatemala is moving cautiously in this direction.
- -- Reagan Administration is actively supporting this trend. Our support was major public theme and private topic of discussion during President's trip to Latin America in December.
- -- Our financial and economic help to Latin American nations reinforces our political stand in support of democracy. This was major aspect of President's trip. We have provided major bridge loans to Brazil and Mexico, are encouraging workable IMF programs throughout hemisphere, are cooperating with rescheduling where necessary, and are working with others toward changes in IMF quotas to address any difficulties.
- -- Caribbean Basin Initiative, key element of our economic and developmental efforts, is conceptually framed to foster pluralism and diversity. We narrowly missed getting approval for its trade and investment provisions in last Congress. The President has made them high priority in this Congress.

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-14

Express appreciation for Chinese halt of methaqualone exports.

Chinese have recently told senator Hawkins they have stopped exports of the drug methaqualone (quaalude). China has also indicated privately it is considering closer cooperation with international narcotics organizations, which we wish to encourage.

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- -- Appreciate Chinese statements to Senator Paula Hawkins that China has stopped exports of methagualone. Decision will help stem growing international abuse of this dangerous substance.
- -- We welcome this decision and encourage continued Chinese cooperation in international narcotics control organizations.
 - -- International trafficking in narcotics is dangerous to all nations, and we must cooperate to control the abuse of all types of narcotic substances.

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